

## Message Text

CONFIDENTIAL

PAGE 01 SANTIA 04142 01 OF 05 171547Z  
ACTION ARA-15

INFO OCT-01 AF-10 EUR-12 EA-10 NEA-06 ADS-00 CIAE-00  
DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05  
PA-01 SP-02 SS-15 ICA-11 HA-05 TRSY-02 IO-14  
EB-08 OMB-01 /137 W  
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TO SECSTATE WASHDC 3681  
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AMEMBASSY MEXICO  
AMEMBASSY MOSCOW  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
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PAGE 02 SANTIA 04142 01 OF 05 171547Z

AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY BEIJING  
AMEMBASSY PRETORIA  
AMEMBASSY QUITO  
AMEMBASSY RABAT

AMEMBASSY ROME  
AMEMBASSY SEOUL  
AMEMBASSY STOCKHOLM  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 5 SANTIAGO 4142

ROME FOR AMBASSADOR WAGNER

E. O. 12065: GDS 6 /13/85 (SERVICE, ROBERT E) OR-P  
TAGS: CI, PGOV  
SUBJ: CHILE'S FOREIGN RELATIONS: LOOKING FOR FRIENDS

1. (L) SUMMARY: FEW COUNTRIES HAVE BEEN AS INTER-NATIONALLY ISOLATED AS CHILE IN RECENT YEARS. THE DEVELOPED DEMOCRACIES ARE COOL BECAUSE OF HUMAN RIGHTS VIOLATIONS. THE SOVIET BLOC COUNTRIES HAVE SUSTAINED A MASSIVE CAMPAIGN AGAINST CHILE'S MILITARY RULERS. THIRD WORLD COUNTRIES WHEN NOT RESPONDING TO SOVIET OR US LEADERSHIP ARE PUTT OF BY CHILE'S NEW-FOUND ENTHUSIASM FOR CAPITALISM AND THE FREE MARKET. WITH US RELATIONS UNDER THE LETELIER/MOFFITT CLOUD AND LOOKING DOWN THE BARREL OF A MAJOR UNRESOLVED BORDER PROBLEM WITH ARGENTINA, CHILE IS WORKING HARD AT RESTORING ITS INTERNATIONAL TIES. EAST ASIA, WESTERN EUROPE, ROMANIA AND BRAZIL HAVE RECEIVED  
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PAGE 03 SANTIA 04142 01 OF 05 171547Z

RECENT ATTENTION, WITH SOME APPARENT SUCCESS. IN AFRICA THE GOC IS TRYING TO EXPAND BEYOND ITS CLOSE LINK WITH SOUTH AFRICA. THE ARAB STATES POSE A PROBLEM SINCE ISRAEL REMAINS AN IMPORTANT ARMS SUPPLIER. WORSENING OF US/CHILE RELATIONS OVER LETELIER/MOFFITT MAY SLOW BUT IS IS NOT LIKELY TO REVERSE RECENT IMPROVEMENTS. END SUMMARY.

2. (U) BACKGROUD: WHEN THE MILITARY OUSTED ALLENDE IN 1973 THEY THOUGHT THAT THEY WERE SAVING CHILE FROM COMMUNISM. THEY EXPECTED STRONG AND CONTINUING SUPPORT FROM THE WESTERN WORLD. WHEN THEY DID NOT GET IT THEY BLAMED SOVIET PROPAGANDA AND MISGUIDED LIBERALS, BUD DID LITTLE TO BETTER THE SITUATION. IN ANY EVENT THIS WOULD HAVE BEEN DIFFICULT UNTIL BASIC HUMAN RIGHTS ABUSES DROPPED SHARPLY AFTER 1976. THE REPLACEMENT OF UNIMAGINATIVE ADMIRAL CARVAJAL BY A CIVILIAN, HERNAN CUBILLOS, AS FOREIGN MINISTER IN EARLY 1978 MARKED THE BEGINNING OF A CONCERTED EFFORT TO RECOUP CHILE'S INTERNATIONAL STANDING. BY PERMITTING A VISIT OF THE UNITED NATIONS' AD HOC WORKING GROUP ON CHILE IN JULY 1978, THE GOC HOPED TO PUT BEHIND IT THE MAJOR PUBLIC IRRITANT TO IMPROVED RELATIONS -- THE ANNUAL UN RESOLUTION ON HUMAN RIGHTS PERFORMANCE. LAST

YEAR CHILE AND ARGENTINA CAME VERY CLOSE TO GOING TO WAR  
OVER DISPUTED TERRITORY IN THE SOUTHERN TIP OF THE CONTINENT.  
THAT PROBLEM HAS NOW GONE TO PAPAL MEDIATION BUT IT REEM-  
PHASIZED CHILE'S ISOLATION, ONE IMPORTANT ASPEC TOF WHICH  
IS DIFFICULTY IN ACQUIRING ARMAMENTS. EARLIER BOLIVIA HAD  
AGAIN BROKEN REATIONS, CHARGING CHILEAN UNREASONABLENESS  
ON THE ISSUE OF AN OUTLET TO THE SEA, AND IN JANUARY OF  
THIS YEAR, PERU PNG'D THE CHILEAN AMBASSADOR AND RECALLED  
ITS OWN. THE US HAD PROVIDED SUBSTANTIAL MORAL AND MATERIAL  
SUPPORT IN THE PERIOD IMMEDIATELY FOLLOWING THE 1973 COUP  
BUT BY 1975 EVEN THIS MOST IMPORTANT RELATIONSHIP HAD  
BECOME COOL. FOR THE PAST YEAR AND A HALF IT HAS BEEN  
DOMINATED BY THE INVOLVEMENT OF CHILEAN OFFICIALS IN THE  
ASSASSINATIONS OF ORLANDO LETELIER AND RONNI MOFFITT AND  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 SANTIA 04142 01 OF 05 171547Z

THE ENSUING LEGAL ACTIONS.

CONFIDENTIAL

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CONFIDENTIAL

PAGE 01 SANTIA 00002 171549Z

ACTION ARA-15

INFO OCT-01 AF-10 EUR-12 EA-10 NEA-06 ADS-00 CIAE-00

DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05

PA-01 SP-02 SS-15 ICA-11 HA-05 TRSY-02 IO-14

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CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 00002 171549Z

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AMEMBASSY PARIS  
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AMEMBASSY PRETORIA  
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AMEMBASSY SEOUL  
AMEMBASSY STOCKHOLM  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 2 OF 5 SANTIAGO 4142/2

ROME FOR AMBASSADOR WAGNER

3 (L) GOC STRATEGY: BASICALLY, CHILE IS LOOKING FOR FRIENDS WHEREVER IT CAN FIND THEM. IT WOULD BE A MISTAKE TO ASCRIBE A GREAT DEAL OF PRECISE CALCULATION TO THESE EFFORTS. NEVERTHELESS, CERTAIN ELEMENTS HAVE PROBABLY PREDOMINATED IN FOREIGN MINISTRY DISCUSSIONS. ON THE SOUTH AMERICAN CONTINENT, BRAZIL IS A HISTORIC ALLY AND THE COUNTER-WEIGHT TO ARGENTINA. AS A PACIFIC NATION, THERE HAS LONG BEEN ACURRENT THINKING IN CHILEAN FOREIGN RELATIONS THAT THE COUNTRY'S INTERESTS LIE AT LEAST AS MUCH TO THE WEST AS TO THE EAST AND NORTH. THE FACT THAT THE PRC DID NOTT BREAK RELATIONS IN 1973 PROVIDED A "MAJOR-POWER" FOCUS TO RECENT EFFORTS. IN WESTERN EUROPE THE CENTER RIGHT GOVERNMENTS OF FRANCE AND SPAIN (AND NOW GREAT BRITAIN) HAVE APPEARED TO OFFER THE MOST HOPE FOR BETER RELATIONS, WHILE THE LARGE GERMAN COMMUNITY PRO-

VIDES SOME LEVERAGE WITH BONN. IN EASTERN EUROPE CHILE  
CONFIDENTIAL

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PAGE 03 SANTIA 00002 171549Z

MAINTAINS A BEACHHEAD IN ROMANIA, THE ONLY COUNTRY NOT BREAKING RELATIONS AFTER THE 1973 COUP. IN THE MIDDLE EAST, CHILE HAS ATTEMPTED TO IMPROVE RELATIONS WITH THE ARABS WHILE NOT ALIENATING ISRAEL, AN IMPORTANT SOURCE OF ARMS. SIMILARLY, CHILEAN FOREIGN POLICY IS ATTEMPTING TO GAIN SUPPORT AMONG THE BLACK AFRICAN COUNTRIES BUT NOT YET AT THE EXPENSE OF SOUTH AFRICA, WHICH MAY HAVE ALSO PROVIDED SOME LIMITED MILITARY ASSISTANCE. EFFORTS TO WIN SUPPORT MORE GENERALLY IN THE THIRD WORLD ARE HAMPERED BY CHILE'S CAPITALIST AND FREE TRADE ECONOMICS. FOR EXAMPLE, ITS VIEWS ON INTERNATIONAL COPPER ARRANGEMENTS ARE CLOSER TO THOSE OF THE DEVELOPED COUNTRIES THAN TO THE OTHER EXPORTING LDCS.

4. (C) EAST ASIA. CHILE AND THE PRC SHARE STRONG ANTI-PATHY TO THE SOVIET UNION. PINOCHET SAYS AND MAY EVEN BELIEVE THAT PRC FRIENDSHIP CAN SUBSTITUTE IN MEANINGFUL WAYS FOR US/CHILE ESTRANGEMENT. LAST FALL FOREIGN MINISTER CUBILLOS VISITED CHINA WITH A ECONOMIC-/MILITARY DELEGATION. ECONOMIC MINISTER KELLY HAS SINCE RETURNED AND CHINESE VICE MINISTER OF TRADE WILL VISIT CHILE THIS WEEK. SOME ECONOMIC AGREEMENTS HAVE ALREADY BEEN SIGNED, WHILE NOT YET LARGE IN THE OVERALL SCHEME, NEITHER ARE THEY UNIMPORTANT. IN ADDITION, THERE HAS BEEN TALK OF CHILEAN/PRC ANTARCTIC COOPERATION AND THE POSSIBLE STATIONING OF A PRC MILITARY ATTACHE IN SANTIAGO. A PINOCHET VISIT TO CHINA HAS BEEN RUMORED.

5. (U) FOR SIX WEEKS IN APRIL AND MAY VICE FOREIGN MINISTER (GENERAL) ENRIQUE VALDES TOURED MOST OF THE EAST ASIAN COUNTRIES. ONE APPARENT RESULT IS THE ANNOUNCEMENT THAT THE JAPANESE FOREIGN MINISTER WILL VISIT CHILE ON A SOUTH AMERICAN SWING THIS AUGUST, AND THERE ARE AS YET UNCONFIRMED REPORTS THAT PRESIDENT PINOCHET WILL BE INVITED TO VISIT JAPAN SOMETIME NEXT YEAR. AS A RESULT ALSO OF THE VALDES TRIP, CHILE WILL ESTABLISH DIPLOMATIC RELATIONS WITH  
CONFIDENTIAL

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PAGE 04 SANTIA 00002 171549Z

SINGAPORE AND MALAYSIA. RELATIONS WITH THE REPUBLIC OF KOREA HAVE BEEN STRONG SINCE THE MILITARY TOOK OVER. THE PHILIPPINES AND INDONESIA ARE ALSO VIEWED AS SYMPATHETIC COUNTRIES. AUSTRALIA, LONG CONSTRAINED BY A LONGSHOREMEN'S BOYCOTT AGAINST CHILEAN TRADE, IS AGAIN SEEKING TO SELL

WHEAT.

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PAGE 01 SANTIA 04142 03 OF 05 171550Z  
ACTION ARA-15

INFO OCT-01 AF-10 EUR-12 EA-10 NEA-06 ADS-00 CIAE-00  
DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05  
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CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 04142 03 OF 05 171550Z

AMEMBASSY OSLO  
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C O N F I D E N T I A L SECTION 3 OF 5 SANTIAGO 4142/3

ROME FOR AMBASSADOR WAGNER

6. (U) BRAZIL: AIR FORCE GENERAL FERNANDO MATTHEI HAS JUST COMPLETED AN EIGHT-DAY VISIT TO BRAZIL, THE FIRST JUNTA MEMBER SINCE 1974. HE WAS THE GUEST OF THE BRAZILIAN AIR FORCE AND THERE WAS THE USUAL SPECULATION THAT ONE OF THE PURPOSES OF THE TRIP WAS TO LOOK INTO POSSIBLE ARMS PURCHASES. BY DENYING REPEATEDLY THAT HIS TRIP WAS POLITICALLY-MOTIVATED, MATTHEI LEFT MOST OBSERVERS CONVINCED THAT IT WAS. BUT MATTHEI WAS CAREFUL TO POINT OUT THAT THE BRAZILIAN CONNECTION COULD NOT REPLACE CLOSE TIES TO THE UNITED STATES AND HE EVEN NOTED THAT CHILE WOULD HAVE NO OBJECTIONS TO RENEWED RELATIONS WITH THE SOVIET UNION, POINTING OUT (CORRECTLY) THAT IT WAS THE SOVIETS NOT CHILE WHO BROKE THEM. THE BRAZILIANS, FOR THEIR PART, EMPHASIZED BRAZIL'S STRICT NEUTRALITY REGARDING THE BEAGLE CHANNEL DISPUTE BETWEEN CHILE AND ARGENTINA. THERE WAS MUCH TALK OF TRADE, AN AREA IN WHICH BRAZIL HAS NOW SURPASSED  
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PAGE 03 SANTIA 04142 03 OF 05 171550Z

ARGENTINA AS THE NUMBER TWO SOURCE (AFTER THE US) OF CHILEAN IMPORTS.

7. (C) ELSWWHERE IN THE HEMISPHERE: UNTIL RECENTLY, CHILE'S BEST FRIENDS HAVE BEEN PARAGUAY, ECUADOR, GRENADA AND THE MILITARY-CONTROLLED CENTRAL AMERICAN STATES. PARAGUAY REMAINS FIRM DESPITE LETELIER/MOFFITT COMPLICATIONS. THE ECUADOR LINK IS BASED ON COMMON FEARS OF PERU BUT THE NEW ROLDOS GOVERNMENT WILL PROBABLY BE LESS SYMPATHETIC THAN THE OUTGOING MILITARY. THE CHILEAN/GRENADA AXIS DESSOLVED WITH THE OUSTER OF GAIRY -- PERHAPS A MINOR BLESSING INDISGUISW FOR THE GOC. CHILE IS KEEPING A LOW PROFILE ON CENTRAL AMERICA PROBLEMS. VENEZUELA UNDER

PEREZ WAS A HEMISPHERIC CRITIC OF THE PINOCHET REGIME, AND THE CTV CONTINUES TO PUSH TO TRADE BOYCOTT. HOWEVER, AND SOMEWHAT SURPRISINGLY, GOC OFFICIALS CLAIM TO DETECT A WARMER ATTITUDE FROM THE NEW VENEZUELAN GOVERNMENT. WE HAVE ALSO BEEN TOLD BY FOREIGN MINISTRY OFFICIALS THAT TURBAY IN COLOMBIA IS MORE PRAGMATIC THAN LOPEZ AND THAT CHILE/COLOMBIA RELATIONS ARE ON AN UPSWING. CANADA MAINTAINS ONE OF ITS FEW SOUTH AMERICAN EMBASSIES IN SANTIAGO AND IS INCREASING THE COMMERCIAL STAFF. THE PRESIDENT OF THE CANADIAN EXPORT DEVELOPMENT CORPORATION VISITED CHILE IN MARCH (SEE SANTIAGO-4073 - NOTAL). ON THE OTHER SIDE OF THE LEDGER RELATIONS WITH MEXICO REMAIN BROKEN, WITH NO INDICATION OF ANY RAPPROACHMENT, AND CHILE/CUBA NON-RELATIONS CONTINUE VENOMOUS.

8. (C) WESTERN EUROPE: IN LAST YEAR'S UNITED NATIONS VOTE, FOR THE FIRST TIME, THE EEC COUNTRIES VOTED AS A BLOCK FOR A RESOLUTION CONDEMNING CHILE ON HUMAN RIGHTS GROUNDS. FOR THE FIRST TIME ALSO, THEY WERE JOINED BY SPAIN. NEVERTHELESS, THERE HAVE BEEN SOME RECENT SIGNS OF IMPROVEMENT IN CHILE'S RELATIONS WITH WESTERN EUROPE. THE FRENCH ARE MAKING A MAJOR EFFORT TO REPLACE THE UNITED STATES AS A SOURCE OF MILITARY HARD-CONFIDENTIAL

CONFIDENTIAL

PAGE 04 SANTIA 04142 03 OF 05 171550Z

WARE AND RECENTLY LIFTED THE LAST REMAINING COMMERCIAL RESTRICTION (SANTIAGO 4074 - NOTAL). THE NEW CONSERVATIVE GOVERNMENT IN GREAT BRITAIN WHILE NOT YET RAISING REPRESENTATION TO THE AMBASSADORIAL LEVEL (THE UK AMBASSADOR WAS REMOVED IN LATE 1975 OVER THE SHEILA CASSIDY AFFAIR) HAS ANNOUNCED A EASING OF COMMERCIAL CREDIT (SANTIAGO -4071 - NOTAL). THE FRG RECENTLY SENT A HIGH FOREIGN MINISTRY OFFICIAL TO ASSESS THE CONDITIONS FOR WARMING OF CHILE/FRG RELATIONS AND CUBILLOS MAY VISIT GERMANY ON A FORTHCOMING EUROPEAN TRIP. WE HAVE ALSO HEARD THAT THE SCANDINAVIANS, AMONG CHILE'S STRONGEST CRITICS, ARE NOW TAKING THE LINE IN THEIR INTERNAL DISCUSSIONS THAT CHILE SHOULD NO LONGER BE SINGLED OUT AS THE PRIME OFFENDER ON HUMAN RIGHTS.

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CONFIDENTIAL

PAGE 01 SANTIA 04142 04 OF 05 171551Z



ACTION ARA-15

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PAGE 02 SANTIA 04142 04 OF 05 171551Z

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AMEMBASSY SEOUL

AMEMBASSY STOCKHOLM

AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 4 OF 5 SANTIAGO 4142/4

ROME FOR AMBASSADOR WAGNER

9. (L) EASTERN EUROPE: THE EASTERN EUROPE PRESENCE IN CHILE WAS LARGE DURING THE ALLENDE PERIOD. ALL EXCEPT ROMANIA BROKE RELATIONS SHORTLY AFTER THE COUP; THE ROMANIANS DOWNGRADED THEIR REPRESENTATION TO A CHARGE IN EARLY 1978. RECENTLY, HOWEVER, THE GOC SENT TRADE OFFICIALS TO ROMANIA AND THERE WAS A RECIPROCAL VISIT HERE. PLANS ARE AFOOT TO HOLD A MEETING OF THE CHILEAN-/ROMANIAN MIXED COMMISSION (LAST HELD IN 1973) LATER THIS YEAR OR EARLY NEXT. THERE ARE ALSO REPORTS THAT THE EAST GERMANS, WHO NOW HAVE TWO PEOPLE WORKING IN THE ROMANIAN EMBASSY, MAY SOON OPEN A TRADE OFFICE HERE AND A RUMOR THAT THE HUNGARIANS ARE ALSO INTERESTED. YUGOSLAVIA (WHICH MAINTAINS A CONSULATE IN SANTIAGO) AND CHILE HAVE JUST AGREED TO REMOVE VISA REQUIREMENTS FOR TOURISTS -- AN ACTION INITIATED IN MAY, 1973.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SANTIAGO 04142 04 OF 05 171551Z

10. (U) AFRICA: AT TIMES OVER THE PAST FIVE YEARS, CHILE HAS SEEMED TO OCCUPY A SPECIAL PLACE -- ALONG WITH ISRAEL AND SOUTH AFRICA -- AMONG THE WORLD'S OUTCAST NATIONS. THE GOC ITSELF ENCOURAGED THE CATERGORIZATION BY STRENGTHENING TIES WITH SOUTH AFRICA AND ISRAEL. IN BOTH CASES, THE MAIN ATTRACTION HAS BEEN ARMS ASSISTANCE, BUT THESTRONG ANTI-SOVIET POSITION OF THOSE GOVERNMENTS HAS ALSO BEEN A FACTOR. IN THE UNITED NATIONS AND ELSEWHERE, THE GOC HAS CAREFULLY AVOIDED EXPRESSIONS OF SUPPORT FOR APARTHEID AND HAS GENERALLY SUPPORTED US AND WESTERN EUROPEAN INITIATIVES ON SOUTHERN AFRICA ISSUES. DURING THE PAST TWO YEARS, IN AN EFFORT TO IMPROVE ITS IMAGE WITH THE BULK OF AFRICAN STATES, CHILE HAS ESTABLISHED RELATIONS WITH ZAIRE, NIGERIA, KENYA AND THE IVORY COAST.

11. (L) MIDDLE EAST AND SOUTH ASIA: AS NOTED, ISRAEL IS A SOURCE OF ARMAMENTS. THIS HAS CONSTRAINED CHILEAN EFFORTS TO DEVELOP CLOSE TIES WITH THE ARAB STATES BUT THERE HAS BEEN SOME PROGRESS. EGYPTIAN RELATION ARE GOOD AND JORDAN AND SYRIA MAINTAIN EMBASSIES IN SANTIAGO. IN EARLY 1978, CHILE ESTABLISHED RELATIONS WITH MOROCCO WHERE IT MAINTAINS A CHARGE. IN GENERAL, HOWEVER, THE MIDDLE EAST IS NOTT A MAJOR FOCUS OF CHILEAN FOREIGN POLICY EFFORT. THE GOC ATTEMPTS TO MAINTAIN AN EVEN-HANDED AP-PROACH TO BOTH ISRAEL AND THE ARABS. FURTHER EAST, INDIA MAINTAINS AN EMBASSY HERE AND THERE HAS BEEN A RECENT IN-

CREASE IN EDUCATIONAL EXCHANGE.

CONFIDENTIAL

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PAGE 01 SANTIA 04142 05 OF 05 171552Z  
ACTION ARA-15

INFO OCT-01 AF-10 EUR-12 EA-10 NEA-06 ADS-00 CIAE-00  
DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05  
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AMEMBASSY MOSCOW  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 04142 05 OF 05 171552Z

AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY BEIJING  
AMEMBASSY PRETORIA  
AMEMBASSY QUITO  
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AMEMBASSY SEOUL  
AMEMBASSY STOCKHOLM  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 5 OF 5 SANTIAGO 4142/5

ROME FOR AMBASSADOR WAGNER

12. KU) THIRD WORLD SOLIDARITY: ALLENDE HOSTED UNCTAD IV AND CHILE WAS LONG ONE OF THE LEADERS IN THIRD WORLD NEGOTIATIONS WITH THE DEVELOPED COUNTRIES. AFTER 1973 ITS PARTICIPATION IN THIRD WORLD BLOCS FELL OFF ABRUPTLY. IN PART THIS WAS THE RESULT OF EFFORTS TO OSTRACIZE CHILE, SPEARHEADED BY THE SOVIET UNION AND WESTERN LIBERAALS. IN PART, IT REFLECTED TH RADICAL CHANGE IN CHILE'S ECONOMIC POLICIES BEGINNING IN 1975. FROM A TRADITIONAL HIGHLY STATIST, IMPORT-SUBSTITUTION ECONOMIC POLICY, CHILE HAS CHANGED DIRECTION ABRUPTLY TO RELIANCE ON PRIVATE ENTERPRISE AND FREE TRADE. MOST THIRD WORLD COUNTRIES HAVE VOTED FOR THE CHILEAN RESOLUTIONS IN THE UNITED NATIONS. WITH RESPECT TO COPPER, STILL 50 PERCENT OR MORE OF CHILE'S TOTAL EXPORTS, THE GOC HAS CONSISTENTLY REFUSED TO RESTRICT PRODUCTION, AS URGED BY SOME OF THE HIGHER COST PRODUCERS IN AFRICA. HOWEVER, CONFIDENTIAL

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PAGE 03 SANTIA 04142 05 OF 05 171552Z

IN AN APPARENT EFFORT TO IMPORVE RELATIONS WITH THE THIRD WORLD, CHILE PROPOSED AT THE RECENT UNCTAD V IN MANILA TO GRANT SPECIAL TARIFF TREATMENT TO IMPORTS FROM THE LEASE DEVELOPED COUNTRIES, PRIMARILY AFRICA. GIVEN THE ALREADY LOW LEVEL OF TARIFFS, THIS OFFER IS PRIMARILY SYMBOLIC.

13. (C) COMMENT/CONCLUSION: ALTHOUGH THERE HAS BEEN PROGRESS OVER THE PAST YEAR, CHILE IS STILL A LONG WAY FROM AGAIN BEING A ACCEPTED AND RESPECTED MEMBER OF THE INTERNATIONAL COMMUNITY. THE MAJOR HURDLE TO MORE RAPID IMPROVEMENT IS THE UNRESOLVED LETELIER/MOFFITT CASE. SHOULD US/CHILE RELATIONS DETERIORATE FURTHER OVER THAT ISSUE, WITH CHILE BRANDED BY THE US AS AN INTERNATIONAL TERRORIST

REGIME, WE EXPECT THE CURRENT WARMING TREND TO BE SLOWED,  
BUT NOT REVERSED. SOME DEVELOPED COUNTRIES MAY WELL VIEW  
A REDUCED US PRESENCE AS AN OPPORTUNITY, PARTICULARLY FOR  
COMMERCIAL GAIN. MORE GENERALLY THE TENDENCY IS TO TREAT  
LETELIER/MOFFITT AS A BILATERAL ISSUE.  
LANDAU

CONFIDENTIAL

NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
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**Concepts:** FOREIGN RELATIONS, GOVERNMENT REFORM, INTELLIGENCE ASSESSMENTS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS 19850614 SERVICE, ROBERT E  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014